

Data Sheet

USAID Mission:	Dominican Republic
Program Title:	Economic Prosperity and Security
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	517-008
Status:	Continuing
Planned FY 2006 Obligation:	\$5,085,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$4,009,000 DA; \$10,000,000 ESF
Year of Initial Obligation:	2002
Estimated Year of Final Obligation:	2007

Summary: USAID's program promotes Dominican economic prosperity and security by assisting the country to meet the challenges of a modern world economy. USAID technical assistance supported the local process of negotiating and ratifying the Central America and Dominican Republic Free Trade Agreement (CAFTA-DR). USAID is now focusing assistance on successful implementation of the agreement, enhancing competitiveness, and improving the business climate. USAID's policy reform activities promote improved competitiveness by modernizing regulations and procedures that impede trade and investment. USAID's competitiveness initiatives in export agriculture, free zones, and tourism promote increased foreign exchange earnings, while assisting industries to adjust to trade opportunities and challenges. USAID's environment and biodiversity activities strengthen the Environment Ministry to meet its obligations to protect the environment in an era of export-led growth and expanding tourism. USAID's energy activities support energy policy reforms, energy efficiency, and rural electrification. To ensure that the limited funds provided to basic education have the greatest impact, USAID is working with the ministry of education to analyze the quality and performance of the primary education system and to develop better trained teachers.

Inputs, Outputs, Activities:

FY 2006 Program:

Achieve Equitable Access to Quality Basic Education (\$1,568,000 DA). Under the newly revised education strategy, USAID continues to work on the implementation of policy reforms, but is shifting its primary focus to increasing teacher effectiveness through materials design and training. The McGovern-Dole Food for Education Program will be completed as of May 31, 2006 and USAID does not plan to continue this program based on regional priorities. Principal contractors and grantees: State University of New York, World Bank Institute, and American Chamber of Commerce in the Dominican Republic (AMCHAM).

Improve Economic Policy and the Business Environment (\$1,140,000 DA). USAID is funding and supporting compliance with CAFTA-DR commitments. USAID is also supporting activities to streamline company registration and develop bankruptcy procedures; implement the phytosanitary and food safety regulations necessary for enhanced agricultural trade; collaborate in the development of a national tourism strategy; and assess policy and regulatory constraints to small and medium enterprise financing in preparation for eventual Development Credit Authority activities. USAID is continuing activities to increase transparency in the public trading of Dominican securities. Principal contractors and grantees: Chemonics International and Boston Institute for Developing Economies (BIDE).

Improve Private Sector Competitiveness (\$740,000 DA). USAID is working with 11 existing clusters in the agribusiness and tourism sectors to be more competitive. Efforts are continuing to support diversification of the tourism sector into specific niche activities from the current focus on a low-cost, all-inclusive vacation model. There is increased collaboration between the

competitiveness and environmental activities to meet the environmental challenges posed by increased growth in both tourism and agricultural exports. Principal contractors: Chemonics International and International Resources Group (IRG).

Improve Sustainable Management of Natural Resources and Biodiversity (\$787,000 DA). USAID is supporting the continued development of environmental norms and standards, and the strengthening of public institutions charged with environmental management and protection at the national and local levels. Increased attention and resources are being devoted to address environmental issues related to CAFTA-DR and tourism growth. Principal contractor: International Resources Group.

Increase Trade and Investment (\$850,000 DA). USAID is supporting analysis and training to help the export sector identify and take advantage of new trade opportunities presented by CAFTA-DR as well as assisting those sectors negatively impacted adjust to the post CAFTA-DR world. USAID is also providing technical assistance to the Dominican government to implement actions required to comply with CAFTA-DR. Principal contractors: Chemonics International and Nathan Associates.

FY 2007 Program:

Achieve Equitable Access to Quality Basic Education (\$1,723,000 DA). USAID will continue activities to improve the quality of primary education through public-private partnerships, improved school management and effective teacher training. Principal contractors and grantees will remain the same.

Improve Sustainable Management of Natural Resources and Biodiversity (\$953,000 DA). USAID plans to continue to help develop environmental norms and standards and strengthen public institutions charged with environmental management and protection at the national and local levels. Principal contractor: International Resources Group.

Increase Trade and Investment (\$1,333,000 DA, \$10,000,000 ESF). USAID plans to continue assistance to improve tourism competitiveness, help rural areas adjust to DR-CAFTA through support for rural diversification via expanding markets for niche agricultural and industrial exports (sectors served by small and medium businesses that employ the Dominican poor) and tourism and encourage small business development. Trade capacity building will assist the public and private sectors in export promotion. USAID will continue technical assistance to expand and develop new energy partnerships for rural electrification. Principal contractors and grantees: Chemonics International and NRECA. The implementing agencies for the ESF resources described above will be determined after consultation with the Department of State.

Performance and Results: USAID technical assistance and training was essential to the successful ratification of the CAFTA-DR agreement. USAID's analysis on the effect of CAFTA-DR on the textile and manufacturing sector showed the gains that CAFTA-DR would provide if the agreement was approved. USAID assistance improved competitiveness by reducing the time to register a business from 78 to 32 days and simplifying bankruptcy procedures. USAID's collaborative competitiveness initiatives resulted in increased mango and vegetable exports and increased investment and profits in the tourism sector. In the energy sector, USAID has expanded rural electrification by 4,000 connections and helped stabilize the electricity distribution system, reducing prolonged blackouts. USAID made Dominican environmental law more effective by helping to establish the required rules and implementing procedures. USAID's work on ground water and environmental regulations provided useful information for increased sustainable tourism and agricultural exports. Our national testing and teacher training programs provided the basis for evaluating the performance of the basic education system and improving the quality of instruction. By the end of the program expected results include: a more proactive business sector better equipped to compete in a global market; economic policy reforms that will lead to sustained economic growth; a strengthened securities exchange that facilitates public and private savings and investment; sustainable management of natural resources by municipal and local institutions

with officials prepared to formulate and implement environment policy; and an improved educational system where the quality of education is measured.

US Financing in Thousands of Dollars

Dominican Republic

517-008 Economic Prosperity and Security	DA	ESF
Through September 30, 2004		
Obligations	16,646	200
Expenditures	7,295	0
Unliquidated	9,351	200
Fiscal Year 2005		
Obligations	4,909	0
Expenditures	7,677	50
Through September 30, 2005		
Obligations	21,555	200
Expenditures	14,972	50
Unliquidated	6,583	150
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	5,085	0
Total Planned Fiscal Year 2006		
Obligations	5,085	0
Proposed Fiscal Year 2007 NOA		
Obligations	4,009	10,000
Future Obligations	0	0
Est. Total Cost	30,649	10,200